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**STATEMENT DELIVERED BY CHIEF, D.P. BRANCH OF THE EMBASSY TO
REFUGEE AND ESCAPEE SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE**

The interests of the United States Government in refugee matters in Austria is direct; Article 5, Sub V of the Control Agreement for Austria dated June 28, 1946, states that "the care and evacuation of and exercise of judicial authority over prisoners of war and displaced persons is reserved" to the High Commissioner.

In practice authority over refugees is exercised by the Austrian Government which administers the camps and is financially responsible for basic housing and feeding. However, the Austrian Government is required to consult with United States, British and French High Commissioners in respect of basic matters relating to refugees in their respective zones. The United States High Commissioner exercises his authority through the Chief of the Displaced Persons Branch of the Political Division of the Embassy in Vienna. This officer in turn supervises the operations of D.P. offices located in Salzburg, in Linz and Vienna.

During the seven years since World War II, the refugee population of Austria has been reduced several fold. First there was the movement of some three million refugees caught at the end of the war in Austria. These persons were mostly sent back to their country of origin. This was handled by UNRRA followed by IRO. The latter phased out early in 1952. These international organizations were, of course, greatly assisted by contributions from the United States as well as by specific legislation such as the Displaced Persons Act of 1948. 53,057 displaced persons and ethnic Germans from Austria resettled in the United States under this Act during the period from April 1949 until June 30, 1952. An additional 52,205 persons from the United States Zone of Austria were resettled in countries other than the United States. The total of persons repatriated from all of Austria from the close of the war until July 31, 1952 was 892,789.

The large numbers of refugees caught in Austria was far from being a calamity. The Austrian Government early realized the desirability of extending citizenship privileges, residence and working permits promptly to agricultural and industrial workers, particularly when such persons were sympathetic ethnic groups. Thus up until July 1952, 206,648 displaced persons have received Austrian citizenship while 72,255 presently hold residence permits which is a prelude to citizenship. The Austrian political parties likewise have their eyes on these people as potential voters. At the last session of Parliament seven laws were passed extending considerable advantages to professional people among refugees. This will help integrate them into life in Austria.

In spite of all that has been done much remains, for today the refugee population of Austria is 212,243. Of this, one-fourth, or 49,561 are living in camps, the remaining 75 percent being free-living persons. Almost half the total number of refugees live in the United States Zone. The largest number of in-camp refugees find shelter in this Zone.

86 refugee camps are maintained by the Austrian Government, 54 of them in the United States Zone, 15 in the British Zone, seven in the French Zone, and 10 in Vienna.

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A statistical summary giving full information regarding refugees up to July 31, 1952 is appended. Also appended is a list of the intergovernmental and voluntary agencies established in Austria largely concerned with refugee problems.

According to estimates presented by the 13 voluntary societies, they will spend slightly more than \$1,000,000 and approximately 1,500,000 Austrian schillings during 1952 on refugees.

The United Nations High Commissioner for Refugees will likewise break into the care and maintenance field in 1952 through the expenditure of funds received by him from the Ford Foundation and the IRO liquidator in Geneva.

The International Labor Office (ILO) set up an office in Vienna last year when it was thought that that organization would administer a very active migration scheme in conjunction with the Office of European Economic Cooperation (OEEC). This office, however, has been abandoned since plans for this scheme did not materialize.

The central ERP Bureau of the Austrian Federal Chancellery which controls ERP funds and credits in Austria stated that as of August 2, 1952 there were 48.73 million Austrian schillings of counterpart funds granted to assist enterprises started and controlled by displaced persons or refugees. A breakdown of this total by type of industry is shown below:

<u>ERP</u>	<u>Millions of A.S.</u>
Textile	10.42
Chemical	3.60
Glass	14.75
Iron Processing	13.48
Various	6.48
Total	48.73

Thus almost \$2,000,000 of credits in Austrian schillings have been extended to refugees or refugee enterprises from counterpart funds under ERP.

In addition the Austrian Ministry of the Interior expends approximately 90 million Austrian schillings per annum on basic feeding and housing of refugees. This is a charge against the annual national budget.

From the foregoing it may appear that the refugee in Austria is well on his way to becoming a privileged person and that with so many organizations catering to his welfare, what justification is there, therefore, for the additional program of the United States Government known as the President's Escapee Program?

As nearly as we can estimate, there are 9,332 ERP eligibles in Austria (escapees who have arrived from Iron Curtain countries since January 1, 1948). Most of these are Czechs and Hungarians. All are non-German-speaking; the majority are under 30, single, able-bodied, knowing some profession or trade. Approximately 50 percent are in camps. Estimates of new arrivals vary. The MIS figure shows a steady flow into their installation of 40 per month. This is estimated to be

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about 25 percent of the flow. This would total 160. Voluntary agencies figure as high as 500 a month.

As is well known, the Kirsten Amendment to the Mutual Security Act of 1951 authorized the expenditure of not to exceed \$100 million:

"for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia and Estonia, or the Communist dominated or Communist occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States".

The first part of this Amendment has not been implemented in Austria because Austria is not a member of NATO.

On March 24, 1952 President Truman wrote a letter to Mr. Harriman, Mutual Security Director, stating that:

"... I have today determined that it will contribute to the defense of the North Atlantic area and to the security of the United States to initiate a program to improve the reception and treatment and to secure the resettlement of qualified people who escape from the Iron Curtain area. This program will supplement, but in no sense supersede, the efforts being made by the countries bordering on the Iron Curtain area which carry the main responsibility for taking care of these people."

The program resulted also from the combined interest of the [REDACTED]

Those who are engaged in receiving the refugee will tell you that their journey is most perilous and that only those with a strong compelling reason for sustained flight will decide to flee and to make their way through the many barriers to freedom that lie in their path. When these persons arrive in Austria they literally have nothing, nor do they have very much hope of obtaining gainful employment in the country of first asylum. For the most part, they are non-German speaking. They only add to the increasing unemployment factor in Austria. Their type becomes a burden on the Austrian Government. Therefore, Austria, even though sympathetic to Western ideology, is not encouraging the influx of more escapees.

Once successful in the escape effort these persons are confused and bewildered for several months, most of them having known nothing but the despotic

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and highly regulated rule of Communism during their formative years. They are unable to plan, unable to think for themselves, completely unprotected from the hurly-burly of competitive life in the Western world. Yet they bring a valuable message depending upon their experiences, their intelligence and their capabilities and it is this message which is of inestimable value to those who seek by every means to obtain an accurate picture of conditions behind the Iron Curtain. It is, therefore, the concept of high United States Government authorities that the United States which, by virtue of its propaganda encourages defection to the Western world, must do everything it can to see that escapees are made welcome on their arrival; that they are slowly re-conditioned for resettlement and finally resettled in areas where they can start a new life. It is our experience that the reception accorded to escapees becomes known behind the Iron Curtain in places from which they come. It is a part of our program to see that the messages that go behind as a result of our handling of PEP eligibles will encourage further defection and result in the maintenance of a steady flow of defectors.

It may be seen, therefore, that no other governmental, intergovernmental or voluntary agency presently operating in the refugee field is equipped to handle this kind of a problem. By virtue of the mandate under which it operates, PEP does not and will not duplicate what is being done for refugees by other groups. Every effort is made here in Austria to correlate the PEP program with projects for refugee relief sponsored by other agencies.

PEP does not relieve the Austrian Government of its basic responsibility for housing and feeding of all refugees. PEP supplements, but in no way supersedes, this basic obligation of the Austrian Government. Furthermore, because of the control exercised over D.P. matters by the High Commissioner, good methods exist for holding the Austrians to this commitment.

A matter which is of paramount importance in implementing the authority that stems from the Act under which PEP operates, is that of adequate safeguards to the end that United States public funds are spent in the best interest of the taxpayer. It is our experience that voluntary agencies through whom in large part, care and maintenance and resettlement projects will be carried out, have not heretofore been accustomed to coping with the administrative procedures designed by our Government for the protection of public funds. Rather the voluntary agencies have been used to the IRO type of fund expenditure and, therefore, need to undergo a period of bureaucratic indoctrination. Mr. Warren who is Chief of the Country Unit of PEP located here in Vienna will briefly outline the means designed by his office in conjunction with the administrative office of the Embassy to insure that all PEP funds are strictly accounted for and properly expended.

It is requested that all present understand that the President's Escapee Program is still in a formative stage. Those working with the program in the field have been required to improvise procedures and doubtless will be expected to adapt overall instructions to country by country conditions. It is therefore difficult at this stage to state with certainty in exactly what way an eligible escapee will be assisted with PEP funds.

We have, however, provisional guides, copies of which were inserted in the work folders given you on your arrival. In the field we continually bear in mind

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that the basic objective of the program is to prepare the escapee himself for resettlement and then to be able to move quickly to get eligibles before resettlement missions as soon as country resettlement schemes become known. For illustrative purposes only, I would ask you to think for a moment back to your visit at the Interrogation Center this morning. There you saw PEP eligibles who figuratively speaking were only yesterday behind the Iron Curtain. These people become our problem. As soon as they have been debriefed they are moved by the Austrians to a camp in the neighborhood of Linz for a complete physical check. The same day they are admitted to Camp 1001 which you likewise visited. There, but for PEP, they would remain charges of the Austrian Government, objects of solicitude on the part of voluntary agencies, but in large measure their lives would be identified with the 50,000-odd camp inmates and they would quickly begin to wonder whether their escape to freedom had been worthwhile.

Such an individual would be registered with us, his eligibility determined and after security clearance, it would be our intention to move him into a segregated camp where he would be able to participate in various agency sponsored projects depending upon his individual necessities and background. Such projects would embrace, among others, his physical fitness and cleanliness, i.e., medical treatment, additional small allotments of soap for personal cleanliness and laundry, sanitary napkins, and replenishment of objects contained in welcome kits. The man we are dealing with speaks no language that would be helpful to him in resettlement countries. Therefore, he will be offered language courses. He will be helped to perfect a skill after suitable testing for skills and vocations. Thus, if Brazil, for example, requires laborers with elementary background in electrical engineering, we would hope to supply eligibles who might qualify under such a scheme. We will try to see that at all times an eligible has valid documentation that will enable him to be presented to a resettlement mission qualified from a technical point of view to being moved in short order.

All of these assistance schemes have a direct bearing on resettlement. There are others, however, no less important, the effect of which on resettlement is indirect. For example, an eligible must be clothed and in the degree to which he is warm and dry, he will be better able to adapt himself for resettlement. He must be taken out of an environment where at the present time he suffers in comparison to the refugee Volksdeutsch who are more readily employable in Austria. Therefore, we have a problem in securing for him better housing. It is our experience that the new arrival is debilitated due to insufficient or unbalanced diet. His feeding will be a problem. I am sure all would agree that it is necessary to keep morale among these people at a high level and in this respect, we operate at an initial handicap. These individuals will have left close family relations back home with the knowledge that these loved ones will be doubtlessly subjected to cruel and inhuman treatment because of the defection of one of their members. We will try to help the escapee forget the past and build for the future.

Before asking Mr. Warren to describe briefly the operations of his office, I would like to ask that you recall your visit here today when you are engaged in the very important task of preparing legislation affecting refugees. We here, are only a small part of our governmental machinery, most of which is set up on the basis of legislation passed by Congress. In initiating this program we operate under the severe handicap that the United States Government has no immigration

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legislative program in effect today excepting the Quota System, which offers to this type of person little or no opportunities for resettlement in our country. We must then, look to other countries to receive these people and even these opportunities at this moment are negligible. We feel that since Government sponsored propaganda agencies are inviting defection we should at least be in a position to be consistent in offering the sincere defector the opportunity of starting a new life in our own country. No matter how we may differ with regard to devices for handling these people, I am sure we are all agreed that the people of the United States have not changed in their desire to afford refugees a refuge and a new life, since the very composition of our own population has depended in the past on a large scale immigration.

Another very important part of PEP operations is that of "security" as divorced from "intelligence". PEP has received full support from USFA, the military part of United States occupation in Austria, and a security clearance to which all PEP eligibles are subjected is in effect. A representative of G-2 and the Chief of the Security Branch of the Embassy - both here today - will gladly answer questions in this field. In addition, a representative from another United States intelligence agency is present.

All concerned with the PEP operation in Austria are fully aware of the necessity for devising and implementing sound security procedures designed to weed out at the earliest possible opportunity those persons who may be acting in the interests of the Soviets. We fully realize that in the escapees we receive a person who because of his place of origin is potentially an agent. He may also be an individual who has been trained in all the subtleties of intelligence work. We believe, however, that in the matter of security we are doing everything we can to protect our country's interests.

I will now ask Mr. Warren to explain PEP procedures unless the group prefers to ask some questions at this time.

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